

## **BASE PROSPECTUS SUPPLEMENT**

### **STANDARD COMMODITIES LIMITED**

*(incorporated with limited liability in Jersey)*

**as Issuer**

### **under its US\$1,000,000,000 Commodities Programme**

This Base Prospectus Supplement (the "**Base Prospectus Supplement**") is supplemental to and must be read in conjunction with the Base Prospectus dated 4 November 2009 ("the **Base Prospectus**") relating to the issuance of secured, limited recourse debt securities (the "**Commodity Securities**") linked to either gold or silver prepared by Standard Commodities Limited (the "**Issuer**") in connection with the applications made for the Commodity Securities to be admitted to listing on the Official List of the Financial Services Authority (in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (the "**FSA**")), and to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**").

This Base Prospectus Supplement constitutes a supplement for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and a supplementary prospectus for the purposes of section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**"). Terms defined in any of the Base Prospectuses shall have the same meaning when used in this Base Prospectus Supplement.

To the extent that there is any inconsistency between any statement in this Base Prospectus Supplement and any other statement in, or incorporated by reference in, the Base Prospectuses, the statements in this Base Prospectus Supplement will prevail.

The purpose of this Base Prospectus Supplement is to amend the Base Prospectus to provide disclosure to potential and current investors on Austrian withholding tax.

### **Amendments to the Base Prospectus**

*The following addition will be added to the section entitled Taxation following the sub-section entitled "Netherlands taxation" of the Base Prospectus:*

#### **Austrian Taxation**

The below summary is not exhaustive. It does not take into account special considerations that may apply in a particular situation. Investors and other interested parties should obtain individual tax advice in connection with the acquisition and holding as well as the sale or repayment of the Commodity Securities.

### *Austrian Residents*

Payments derived from the Commodity Securities by individuals with a domicile (*Wohnsitz*) or their habitual abode (*gewöhnlicher Aufenthalt*) in Austria or by corporate investors with their corporate seat or place of management in Austria (“residents”) is taxable pursuant to the Austrian Income Tax Act (*Einkommensteuergesetz*) or the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*).

Generally, based on current administrative practice an income in relation to the Commodity Securities is expected to qualify as capital income from debt-securities (*Kapitalerträge aus Forderungswertpapieren*). Such income arising from the Commodity Securities include payments realised upon redemption (being the difference between the issue price and the redemption amount or realised upon a disposal of the Commodity Securities).

If such payments are paid out by a paying agent (*kuponauszahlende Stelle*) located in Austria (where the paying agent is the bank, including an Austrian branch of a non-Austrian bank, or the Austrian Company paying out such funds to a holder of the Commodity Securities), it is subject to 25% Austrian withholding tax (*Kapitalertragsteuer*).

In case of a physical settlement, the above applies *mutatis mutandis*. In such a case, the value of the delivery amount should qualify as proceeds from the redemption of the Commodity Securities. As there will be no cash payment, the relevant holder will be obliged to make the required funds available to the paying agent (*kuponauszahlende Stelle*) in order to pay the Austrian withholding tax to the tax authorities.

Provided that the Commodity Securities have been offered to the public for the purpose of section 97 of the Austrian Income Tax Act, the 25% withholding tax constitutes a final taxation (*Endbesteuerung*) for all individuals, no matter whether they act as private investors or hold the Commodity Securities as business property. Final taxation means that no further income tax will be assessed and the capital income is not to be included in the investor’s income tax return. If the individual’s rate of income tax is lower than the 25% withholding tax, the withholding tax will, if requested, be credited against the income tax liability and the excess amount shall be refunded. As a consequence of the final taxation, expenses in connection with the Commodity Securities are not deductible.

For corporate investors holding the Commodity Securities as business property, the 25% withholding tax is not treated as a final taxation and the income from the Commodity Securities is taxed as ordinary income subject to the corporate income tax rate of 25%. However, such corporate investors may avoid the application of withholding tax by filing a declaration of exemption (*Befreiungserklärung*), provided certain requirements are fulfilled.

For corporate investors who receive payments in relation to the Commodity Securities as income from capital investment (*Einkünfte aus Kapitalvermögen*), the 25% withholding tax constitutes a final taxation.

Private Trusts established pursuant to Austrian law (*Privatstiftung*) are exempt from the 25% withholding tax on specific income. Income from capital investment derived from the Commodity Securities by Private Trusts is subject to 12.5% interim corporate income tax if the Commodity Securities have been offered to the public. This 12.5% interim corporate income tax may be credited against withholding tax at the rate of 25% due on distributions of the Private Trust under certain conditions. If the recipient of the distribution is a non-Austrian tax resident, credit of the 12.5% interim corporate income tax is granted only, if the recipient does not take advantage of relief from withholding tax on the distribution under an applicable Double Taxation Agreement.

The change of residence of a holder of the Commodity Securities from Austria to a destination outside Austria triggers interest income subject to withholding tax. The law furthermore provides that in this case as well as where continuing residents of Austria transfer the Commodity Securities to a deposit account outside Austria, but within the European Union or within certain states that are party to the European Economic Area, such withholding tax on interest may be refunded, upon which Austrian-related interest income shall be declared to the Austrian tax authorities in the course of a regular income tax return of a holder of the Commodity Securities. On application, the tax liability associated with such interest income may be deferred up to such point in time when the capital income will be actually received.

Where there is no deduction of Austrian withholding tax because the payments in relation to the Commodity Securities are not received in Austria (not paid out by a paying agent located in Austria) Austrian investors will have to include the income in relation to the Commodity Securities in their income tax returns pursuant to the Income Tax Act. For individuals, no matter whether they act as private investors or hold the Commodity Securities as business property, as well as for corporate investors with other income than business income, a special 25% flat tax rate is available. As a consequence, expenses in connection with the Commodity Securities are not deductible.

*The following addition will be added as a new final paragraph in the sub-section entitled "EU Savings Tax Directive" in the section on Taxation:*

In Austria, under the EU-Withholding Tax Act (*EU-Quellensteuergesetz*) which transforms the Directive into Austrian national law, interest payments (including the difference between the issue price and the redemption price) made by a paying agent in Austria to beneficial owners who are individuals resident for tax purposes in another EU member state and certain dependent or associated territories are subject to EU-withholding tax. The applicable tax rates are 20 per cent during the period from 1 July 2008 to 30 June 2011 and 35 per cent thereafter (from 1 July 2011 onwards). Due to

guidelines issued by Austrian tax authorities the term "interest" may have a different meaning for the purpose of the EU-Withholding Tax Act than in other domestic income taxation laws. No EU-withholding tax will be levied if the beneficial owner presents to his paying institution a certificate as provided for under Article 10 EU-Withholding Tax Act drawn up in this name by the competent authority of his EU member state of residence for tax purposes. According to current administrative practice of the Austrian tax authorities, payments in relation to commodity linked debt-securities such as the Commodity Securities are not considered as interest for EU-withholding tax purposes.

Save as disclosed in this Base Prospectus Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen since the publication of the Base Prospectus.

Investors should be aware of their rights under Section 87Q(4) of the FSMA.

The Issuer accepts responsibility for the information contained in this Base Prospectus Supplement. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

30 March 2010